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Pulling together beats falling apart

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and Charles Lockwood

In recent years, many of greater Chicago's political, business, and community leaders have proposed various solutions to the metropolitan area's pressing economic, social and environmental problems. Unfortunately, many of these recommendations have not been put into action, and others been implemented on a piecemeal basis.

Greater Chicago is the nation's most politically fragmented metropolitan area, with more than 1,200 different governmental jurisdictions and deep-seated divisions among the region's racial, ethnic and economic groups. This fragmentation has stalled real regional cooperation, exacerbating many of the metropolitan area's problems.

Only by addressing this fragmentation directly, and by actively forging new forms of regional cooperation, can greater Chicago tackle its problems effectively and create a better future for its residents and businesses.

Recently, the Metropolitan Chicago Futures Forum, funded by the MacArthur Foundation and Chicago Central Area Committee, brought together 10 experts on metropolitan development trends to examine strategies that have benefited other metropolitan areas and might be relevant for greater Chicago.

But the MCFF didn't stop there. Its panelists also proposed a three-step "phased implementation program" to alleviate greater Chicago's fragmentation so that local leaders can more effectively carry out policies that best serve the metropolitan area's interests.

This phased implementation program is straightforward and workable: First, build on present intragovernmental agreements and forge short-term regional initiatives on the less controversial issues. Second, bring towns and counties together to resolve their common problems. Third, tackle the most difficult issues that have evaded regional cooperation and solutions thus far.

Economic development is an ideal, noncontroversial place to start forging regional cooperation. Like all of the world's major metropolitan areas, greater Chicago is a single economic unit. As Jane Jacobs first pointed out in her book "Cities and the Wealth of Nations," individual communities may falter or excel on their own, but an entire region rises, stagnates, or falls together. A regional economy affects almost anyone, whether they have a job, run a business or anticipate using the equity in their home as their nest egg for retirement.

To strengthen greater Chicago's economy, as well as to take the first steps towards more effective regional cooperation, the MCFF suggests that the following recommendations be considered:

1. Create an economic development strategy for the region's key components: the central business district, "suburban downtowns" like Schaumburg, and the entire metropolitan area. Other metropolitan areas, including Baltimore and Chattanooga, are now pursuing a similar course of action.

2. Build upon existing economic development communities in Chicago and suburban counties and establish a metropolitan-wide agency to coordinate regional initiatives and encourage cooperation, not competition, throughout greater Chicago, as no less than 40 economic development organizations in greater Denver have recently done with considerable success. Such an approach has been considered, but never carried out, in greater Chicago. Today's economy requires metropolitan-wide cooperation.

3. Identify and study the metropolitan area's leading "export businesses" like manufacturing, transportation, food processing and banking, which sell goods and services to other regions and, thereby, pull cash into greater Chicago's economy. On the basis of this analysis, develop an action plan to encourage these industries to stay in the metropolitan area and expand their operations. This plan will include coordinated research, marketing, training and business recruitment programs for each export business.

4. Create a gross metropolitan product and forecast model, which will periodically assess the regional economy's growth and determine what sectors are growing and why.

5. Encourage greater Chicago's industries to buy locally. If you can purchase that widget more cheaply in Texas or Taiwan, work with your local supplier to reduce their costs and/or boost quality, just as some automakers have done in the United States. Local businesses and greater Chicago's economy will be the beneficiaries.

6. Identify, promote, and use regional business leaders, not only in traditional companies and firms, but also in the rising industries and fields. Bring these leaders together to work for greater Chicago. Think long-term as well. Identify and train the next generation of regional business and civic leaders. The next Henry Ford or Steve Jobs could well be running a 30-person company in an industrial park near O'Hare.

As the next phase in alleviating the metropolitan area's problems and forging greater regional cooperation, Chicago and Cook County could work more closely together in many areas, not just economic development issues. Chicago and Cook County are no longer divided by the traditional "city/suburban split."

Both now share common problems, including decaying residential and commercial areas, declining tax bases, loss of jobs (both existing and new) and loss of their middle-class populations to the exurban fringe far beyond their jurisdictions.

Chicago and Cook County—which total two-thirds of the metropolitan area's population—could develop and implement more and more initiatives, gradually gaining the cooperation of the newer exurban communities.

To spur economic development, for example, Chicago and Cook County could create a new agency with real power to facilitate the expansion of existing companies, retain those that might leave, and attract new firms. Among other things, this agency could also institute a fast-track permitting process to get homes and businesses built or renovated more quickly. It could require coordinated infrastructure and cost-sharing between separate jurisdictions. When disagreements arise between two jurisdictions, it can act as mediator to work out mutually satisfactory solutions.

Why do some of greater Chicago's problems seem so daunting today? Local Chicago's leaders have plenty of good ideas, but they face the new challenge of implementing these ideas throughout today's increasingly vast metropolitan area.

Having reaped the benefits of metropolitan-wide cooperation on economic development and then created strong Chicago/Cook County linkages, greater Chicago can begin to grapple with some of the more controversial long-term regional issues.

Some complacent exurban communities will resist these metropolitan-wide actions. But others will recognize that they are next in line to decline, unless regional problems are tackled on a regional basis. They will understand that "you can run, but you can't hide."

1. Construct affordable rental and for-sale housing throughout the metropolitan area, particularly in fast-growing outlying exurbs that are gaining most of the metropolitan area's new jobs but rarely permit anything but middle class and executive single-family housing. Such exclusionary zoning policies overlook singles and couples of all incomes, who constitute the majority of greater Chicago's population and deserve easy access to new jobs.

For example, build some of this affordable housing as a buffer between market-rate single-family housing and nearby shopping centers, office buildings or industrial parks. Construct affordable apartments and townhouses near transit stops as part of a program to create vibrant mixed-use centers and boost transit ridership.

2. Initiate regional tax-sharing. Although many government functions are best handled on the local level, many jurisdictions (such as declining inner suburbs) can no longer afford to perform their duties. Yet these same jurisdictions are vital to the well-being of the entire metropolitan area. For example, they contain low-cost warehouse space for export businesses or provide moderate-cost housing for workers who commute to jobs in the Loop or Hoffman Estates. Moreover, these same jurisdictions never see any of the sales-tax revenue from purchases made by their residents at shopping centers in other communities.

Regional tax sharing would distribute revenues more equitably and enable all communities to perform their role in the regional economy more successfully. For a role model, greater Chicago only has to look to Minneapolis-St. Paul, where 40 percent of commercial and industrial taxes are distributed on a regional basis, and 60 percent remain in the individual jurisdictions.

Any regional tax-sharing program could also offer the stick as well as the carrot. These revenues could be spent to make greater Chicago's communities better places to work and live, not just to prop up outdated and often-overlapping government bodies. Therefore, tax sharing could encourage some consolidation of the metropolitan area's many jurisdictions, particularly if that course of action results in lower government costs and more efficient provision of services.

3. Create a regional growth boundary around greater Chicago. Between 1970 and 1990, greater Chicago's population increased by only 4 percent, but the physical extent of metropolitan area grew by 46 percent. The struggle to alleviate the region's pressing problems will be lost if development continues to sprawl ever outward, taking jobs further and further from center city and inner suburb residents, destroying thousands of acres of rich farmland and environmentally sensitive land, and forcing all taxpayers to pay for outward-reaching infrastructure that benefits only a few.

Like it or not, greater Chicago must impose a regional growth boundary, which separates rural from urban uses and limits the metropolitan area's outward expansion. Europe and Japan have used growth boundaries for decades. So has Portland, Ore.

Has a regional growth boundary hurt Portland? Hardly. Unlike many other cities where growth leapfrogs along one favored corridor, Portland's development is uniformly occurring in nearly every direction, and its downtown is possibly the healthiest in the nation. Survey after survey regularly ranks Portland as one of the nation's most desirable places to live.

Throughout its history, Chicago has faced—and successfully overcome—many challenges, including the 1871 fire, the Depression and the restructuring of its manufacturing economy in the 1980s.

Why do some of greater Chicago's problems seem so daunting today? Local Chicago's leaders have plenty of good ideas, but they face the new challenge of implementing these ideas throughout today's increasingly vast metropolitan area.

Through the MCFF's proposed program, local leaders can begin to end the fragmentation that has stymied many of their previous efforts, and create a better future for greater Chicago's residents and businesses.

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